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Research News for the U.S. Travel Industry

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Travel Industry Continues Economic Growth

The travel industry continues to be one of the fastest growing industries in the United States, as domestic and foreign visitors spent more than $350 billion in U.S. receipts during 1989, seven percent more than in 1988, according to the U.S. Travel Data Center's *1989-90 Economic Review of Travel in America*.

"The travel industry has doubled in sales receipts since 1980," said Dr. Suzanne D. Cook, executive director of the Data Center. "It is the third largest U.S. retail industry and the second largest in terms of employment."

Travel spending in the U.S. directly generated 5.8 million jobs in 1989, paying nearly $74 billion in wages and salaries. It also produced $43 billion in federal, state and local tax revenue.

Over the past decade, travel industry employment grew 43 percent, more than twice the growth rate for all U.S. industries. Travel industry employment, which generates more jobs than any other industry except health services, grew 2.5 percent in 1989.

The travel industry continues to provide proportionally more jobs for blacks, hispanic-Americans and women than in other U.S. industries. In 1989, jobs for blacks represented 11.5 percent of total travel industry employment, compared to 11.2 percent nationally; hispanic-Americans represented 10.5 percent in the travel industry, versus 7.3 percent nationally, and women occupied 51.5 percent of all travel industry jobs, compared to 45.2 percent nationally.

The report also features an historical analysis of travel's impact on the U.S. economy. Even though sales receipts in the travel industry have doubled since 1980, there is evidence that travel demand expanded sluggishly during the 1980s.

Employment and real output, two measures of industry growth, have grown more slowly during the current economic expansion than it did through the 1970s. The slowdown is attributed, in part, to the slow-growth economy, moreover consumers have found in-house and near-home entertainment appealing alternatives to leisure travel away from home, according to the report.

In 1989, the number of foreign visitors to the United States reached a record high of 38 million in 1989, up 12 percent from the previous year. Their expenditures totaled $34 billion and generated 570 thousand jobs.

According to the report, travel and tourism activity requires a small amount of energy, but makes a major contribution to the U.S. economy. Travel and tourism comprised only 4.5 percent of the nation's travel domestic energy demand in 1988, virtually unchanged from 1984.

This is the Data Center's eighth annual report on the role of travel and tourism in the American economy. It reviews the current economic characteristics of travel away from home, developments in the U.S. travel industry, and the effects of recent economic changes on travel and tourism.

The 1989-90 Economic Review of Travel in America is available for $60 by contacting the U.S. Travel Data Center at (202) 293-1040.
(Data Center members will be receiving a complimentary copy).

International Research Available Through USTDC

The Data Center recently announced that it will provide international reports, analyses and databases, after its agreement to become the official marketing and sales representative for the Office of Research at the United States Travel and Tourism Administration (USTTA).

"The agreement reinforces the Data Center as the recognized source of travel research, not only in the United States but internationally as well," said Suzanne D. Cook, executive director of the Data Center. The announcement comes three months after the Data Center became the exclusive marketing representative in North America for the European Travel Data Center, the premier source of information regarding the European travel market.
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July Travel Prices Show Highest Increases of 1990

Despite decreases in motor fuel costs, airline fares and overall transportation prices, the cost of travel in the United States showed the highest increase thus far in 1990. According to the Data Center's latest Travel Price Index (TPI), the cost of travel rose 2.7 percent in July.

The TPI, which measures seasonally unadjusted changes in the cost of travel in the U.S. grew to 137.5 (1982 - 84 = 100) during July.

For comparison, the overall cost of goods and services Americans purchased as measured by the Consumer Price Index (CPI) rose 0.4 percent to 130.4.

Travel Price Index and Components

July 1990	Monthly % Change June 1990 to July 1990	Annual % Change July 1989 to July 1990
TPI Component		
Transportation	-0.2	4.7
Airline Fares	-0.1	11.4
Other Intercity Trans.	1.0	2.4
Intracity Public Trans.	0.3	6.7
Motor Fuel	-0.3	-0.1
Lodging	8.4	7.3
Food and Beverages Away From Home	0.4	4.8
Entertainment	0.9	6.4
TRAVEL PRICE INDEX	2.7	5.8
CONSUMER PRICE INDEX	0.4	4.8

Source: U.S. Travel Data Center and the U.S. Bureau of Labor Statistics

For the most part, lodging costs attributed to the increase in the TPI. It jumped 8.4 percent in July and has showed an increase of more than 7 percent during the last 12 months.

Motor fuel showed the largest decrease in July, dropping 0.3 percent. Motor fuel prices also showed the only decrease over the last 12 months, in which it dropped 0.1 percent.

Overall transportation costs decreased 0.2 percent in July. Airline fares, a component of transportation, also showed a decrease. Intercity transportation and intracity public transportation showed slight increases.

Entertainment showed a slight increase, rising nearly 1 percent in July. Food and beverages away from home showed a 0.4 increase in July.

May Travel drops 2 Percent

After a steady increase in the first four months of 1990, May travel decreased nearly 2 percent over last May with more than 108.8 million person-trips taken by U.S. residents, according to the Data Center's latest National Travel Survey (NTS) results. (A person-trip measures each person traveling 100 miles or more away from home.)

Declines also occurred in business, air and auto/truck/RV travel. Air travel showed a decrease of nearly 9 percent on a person-trip basis, while auto/truck/RV dropped 2 percent over last May. Business travel showed a substantial decrease after a surge last May.

Also showing a decline was distance traveled. Total round-trip distance dropped 200 miles from May 1989 to May 1990.

The largest increase occurred in weekend travel, increasing nearly 9 percent and keeping with the ever-growing trend towards weekend travel closer to home. The average round-trip distance for weekend travel dropped from 880 round-trip miles in May 1989 to 580 round-trip miles this May.

Vacation travel showed a slight increase in May with more than 71 million person-trips. In addition, there were fewer people in the average party this May, compared to last May.

Pleasure travel increased nearly 5 percent this past May with more than 80 million person-trips. The average round-trip distance for pleasure travel showed a substantial decrease. It dropped from 1020 round-trip miles last May to 760 round-trip miles this May.

The overall average duration of a trip increased to 4 nights in May 1990, compared to 3.2 nights in the previous year.

For the second straight month, travel to the Great Lakes Region showed a substantial increase. Travel to the West Region remained strong while travel to both the Northeast and Midwest Regions grew moderately, posting year-to-date increases of 4 and 5 percent, respectively.

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Dr. Suzanne D. Cook, Executive Director
Scott M. Dring, Editor

TRAVEL PRINTOUT reports on Data Center projects, national travel research conducted by other organizations and trends in the U.S. Travel Industry. Subscriptions are $75 per year; Foreign countries, $85 per year, payable in U.S. funds. ISSN: 0744-6233.

Data Center, USTTA Agreement

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The USTTA is the primary source for tracking foreign visitor arrivals to the United States. The data are compiled monthly in the *Summary and Analysis of International Travel to the United States*. The publication provides foreign visitor arrival statistics by region and for 90 different countries. Data in the publication includes inbound statistics on a monthly basis by mode of transportation and age groups.

Information from an on-going survey of international travelers is available in the *In-Flight Survey of International Air Travelers*. These quarterly and annual reports provide survey data on travel characteristics and spending patterns of both foreign visitors to the U.S., and U.S. residents traveling by air to overseas countries and Mexico. The survey, which includes 28 questions, is conducted among 91,000 respondents on more than 1,700 flights departing the U.S. per year.

The Pleasure Travel Markets to North America is another popular USTTA product. It provides the market size and volume estimates of long-haul international pleasure travelers in 1989 from the United Kingdom, France, West Germany and Japan. There are additional 1988 reports from Australia, Brazil, Italy and Mexico and 1987 reports from Hong Kong, Singapore and Switzerland.

Information compiled in the reports includes in-depth analysis of where travelers go, type of trip, top 10 activities, most preferred destinations, their interest in a specific destination within the U.S., and a listing of the top places in the U.S. that they visited in the last three years, and psychographic segmentations.

Visitor Volume at National Parks

Region	JUN 1990 visits	% Change from JUN 1989	Year to Date % Change 1990/89*
NEW ENGLAND	1,872,936	-1.7%	1.8%
MIDDLE ATLANTIC	2,947,650	-18.5	-18.6
SOUTH ATLANTIC	9,106,983	-9.7	-5.8
EAST SOUTH CENT.	1,979,045	-16.2	-21.7
EAST NORTH CENT.	822,028	-2.2	0.1
WEST NORTH CENT.	1,626,891	8.7	2.5
WEST SOUTH CENT.	1,182,601	-7.2	-4.1
MOUNTAIN	6,088,233	5.0	3.6
PACIFIC	5,253,816	-7.4	-4.8
TOTAL	30,880,183	-6.6	-6.2

* Percent change figures may not be consistent with those previously reported due to National Park Service revisions.

Census regions: New England: Conn., Maine, Mass., N.H., R.I., Vermont. Middle Atlantic: N.J., N.Y., Penn. S. Atlantic: Del., District of Columbia, Fla., Ga., Md., N.C., S.C., Va., W.Va. East South Central: Ala., Ky., Miss., Tenn. East North Central: Ill., Ind., Mich., Ohio, Wis. West North Central: Iowa, Kan., Minn., Mo., Nebr., N.D., S.D. West South Central: Ark., La., Okla., Texas. Mountain: Ariz., Colo., Idaho, Mont., Nev., N.M., Utah, Wyo. Pacific: Alaska, Calif., Hawaii, Ore., Wash.

The results are published in a variety of different formats that may fulfill a number of specialized needs. The Highlights Report summarizes the research on each country and there are more detailed reports that address each country individually. Eight volumes of computer tables and a set of data diskettes for each country are also available.

The United States Travel and Tourism Administration, an agency of the U.S. Department of Commerce, was established in 1981 by the National Tourism Policy Act.

With offices in major worldwide cities, USTTA serves as a catalyst for U.S. travel entities wishing to enter the international tourism export market. It provides a number of reports and surveys tracking the international travel market and has the capability to create specific requested information on the international market.

Please see the enclosed listing of USTTA publications. For additional information on USTTA materials, contact the Data Center at (202) 293-1040.

Outlook Forum to Discuss Legislative Policies

For the first time, a select panel of transportation experts will weigh the impact of three recent legislative policies at the U.S. Travel Data Center's sixteenth annual Travel Outlook Forum.

Travel experts will discuss how recent legislative policies have and will affect the travel industry. The policies include the National Transportation Policy, the Clean Air Act and the Americans with Disabilities Act.

The roundtable includes representatives from the American Automobile Association, Air Transport Association, American Bus Association and AMTRAK.

The travel industry faces more challenges than ever before and, for one day, experts representing all major segments of the industry will discuss what lies ahead.

The forum, co-sponsored by the Travel and Tourism Research Association and held in conjunction with the Travel Industry Association's National Conference, will also examine the prospects for international travel, 1990 domestic travel with a special presentation on business travel, as well as the 1991 outlook for the U.S. economy.

This year's forum will be held on October 16-17 at the Pittsburgh Hilton & Towers in Pittsburgh, Pennsylvania. Registration for the forum only for TIA/Data Center/TTRA members is $195, non-members, $225. The entire two-day conference and forum is $350 for members and $420 for others.

For additional information or to register for the forum and conference, contact the Data Center at (202) 293-1040.

Current Travel Indicators - 1990

	Month	Value	Units	Percent Change Last Month	Year Ago	Year To Date
Establishment Receipts or Retail Sales						
Hotels, Hotels, Other Lodging Places(1)	June	$ 5,712	million	4.5	8.7	8.4
Eating and Drinking Places(2)	June	$14,951	million	-0.6	3.5	2.5
Gasoline Service Stations(2)	June	$ 9,944	million	0.6	1.7	2.5
Commercial Lodging Demand						
Hotel/Motel Occupancy Rates(3)	June	65.2	percent	0.5	2.5	2.2
Real Demand for Commercial Lodging(4)	June	69.8	million	7.4	5.5	4.5
Airline Passenger Traffic (5)						
Domestic Revenue Passenger-Miles	June	29.1	billion	8.8	0.2	3.2
Int'l Revenue Passenger-Miles	June	11.3	billion	18.2	12.9	17.7
Highway Traffic Volume (6)						
Rural Arterial Passenger-Miles	May	46.7	billion	7.7	4.2	4.3
Rail Passenger Traffic (7)						
Amtrak Passenger-Miles	June	543.3	million	5.9	3.9	2.6
Travel Price Index (1982 - 84 = 100) (8)	June	133.9		0.8	5.4	6.1
U.S. Resident Travel						
Total Person-trips(9)	May	108.8	million	22.4	-1.9	4.4
Vacation Person-trips(9)	May	71.7	million	21.1	0.7	7.8
Total Person-nights(10)	May	435.0	million	35.9	N/A	N/A
Vacation Person-nights(10)	May	315.0	million	29.6	N/A	N/A
Public Use of National Parks (11)						
Visits	June	30,880,183		31.3	-6.6	-6.2
Overnight Stays	June	2,561,753		69.7	-0.6	1.8
Foreign Arrivals to the U.S.						
From Overseas(12)	Apr	1,098,153		-0.9	6.2	7.6
From Canada(13)	June	1,196,839		-7.1	12.0	12.8
From Mexico(12)	Apr	130,845		52.4	64.7	11.4
U.S. Citizen Departures						
To Overseas(12)	Jan	1,088,500		-11.5	8.2	8.2
	Feb	998,700		-8.3	10.9	9.5
	Mar	1,245,300		24.7	10.5	9.9
To Canada(13)	June	1,601,160		53.5	3.9	3.2
Domestic Demand for Gasoline						
Barrels/Day(14)	June	7,448	thousands	2.0	-4.3	-1.4

(1) Source: Smith Travel Research, seasonally adjusted. (2) Preliminary; revised monthly. Source: Bureau of the Census. (3) Source: Smith Travel Research, seasonally adjusted, 1986 and 1987 data have been revised. (4) Smith Travel Research, unadjusted room nights sold. (5) Preliminary; U.S. scheduled service air carriers. Source: Air Transport Association. (6) Preliminary revised monthly. Source: Federal Highway Administration. (7) Source: National Railroad Passenger Corporation (Amtrak). (8) Source: U.S. Travel Data Center and Bureau of Labor Statistics. (9) Source: U.S. Travel Data Center. (10) U.S. Travel Data Center. Data is not comparable to earlier published numbers due to revised methodology. (11) Preliminary; unadjusted for differences in reporting units. Source: National Park Service. (12) Source: U.S. Travel and Tourism Administration. Mexican data reflect 194 arrivals only. (13) Statistics Canada. (14) Preliminary; Source: U.S. Department of Energy.

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